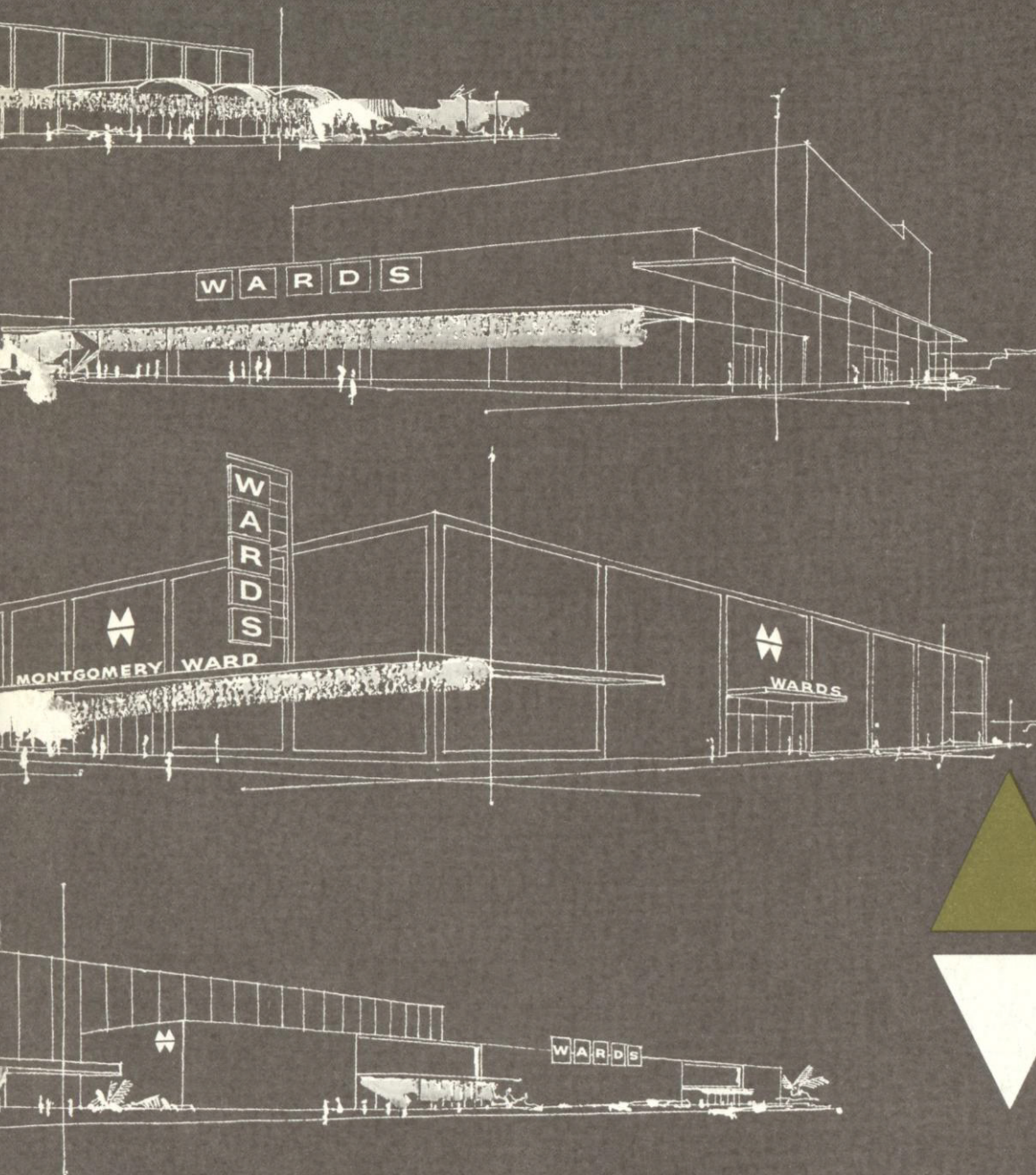


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**MONTGOMERY WARD**

# *ANNUAL REPORT 1958*

*for the fiscal year ended January 28, 1959*



*RESULTS AT A GLANCE....*



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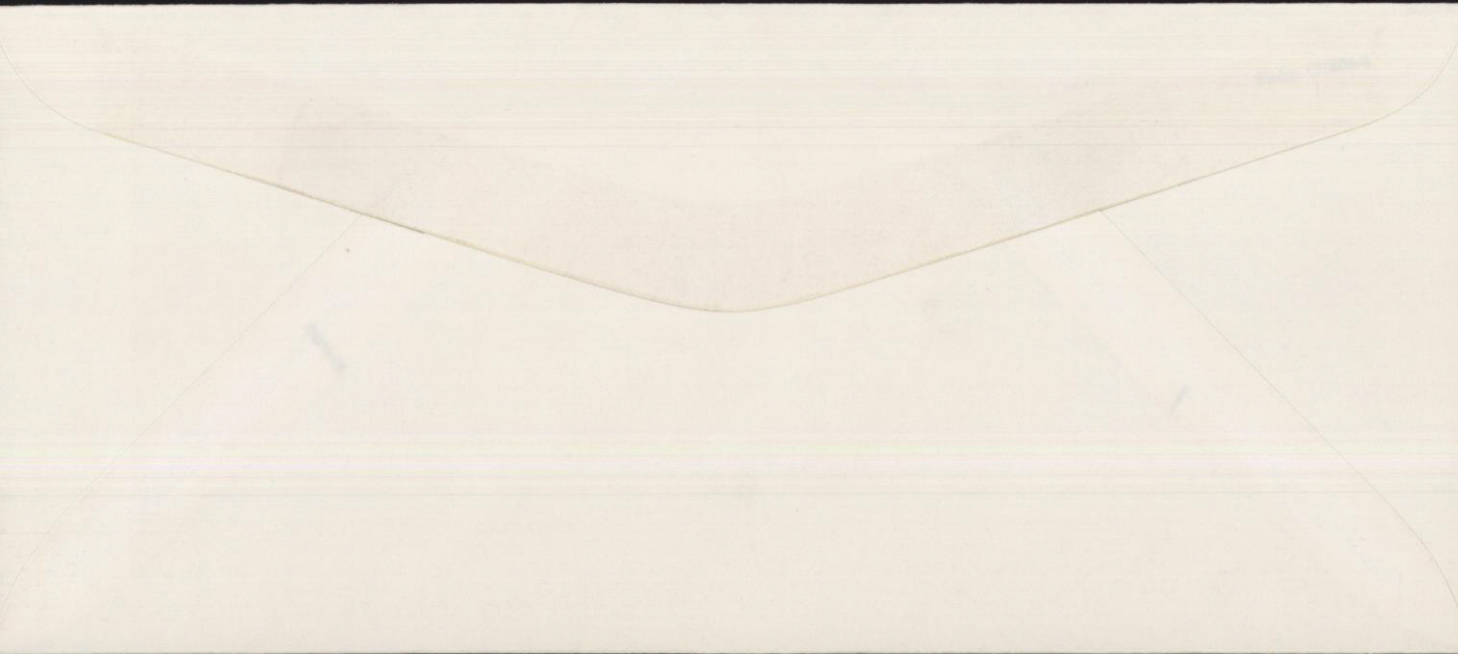
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STOCK TRANSFER  
DEPARTMENT





**PROXY**  
**ANNUAL MEETING OF SHAREHOLDERS**  
**APRIL 24, 1959**  
**MONTGOMERY WARD & CO., Incorporated**

The undersigned hereby appoints John A. Barr, Philip R. Clarke, and Percy B. Eckhart, or any one or more of them, with full power of substitution, as proxy or proxies to vote all shares of stock of the undersigned in Montgomery Ward & Co., Incorporated, with like effect as if the undersigned were personally present and voting, at the annual meeting of the shareholders of Montgomery Ward & Co., Incorporated, to be held on April 24, 1959, and at any adjournment or adjournments thereof, hereby revoking any proxy or proxies heretofore given.

**THIS PROXY  
IS SOLICITED  
BY THE  
MANAGEMENT**

(CONTINUED, AND TO BE SIGNED, ON OTHER SIDE)

(CONTINUED FROM OTHER SIDE)

The undersigned hereby instructs said proxy or proxies to vote on the following matters:

1. Election of directors.
2. For ☐ or Against ☐ the election of Arthur Andersen & Co. to audit the accounts of the company.
3. Such other business as may properly come before the meeting.

This proxy will be voted for the election of Arthur Andersen & Co. unless contrary direction is given.

A111228

ANNUAL MEETING

APRIL 24, 1959

Date Signed..... Signature.....

(Please sign exactly as name appears above. If Executor, Trustee, etc. so indicate and where more than one executor, etc. is named, a majority should sign. Each owner must sign if jointly held.)

Please Sign,  
Date and Return  
in the Enclosed  
Envelope.



# MONTGOMERY WARD 87TH ANNUAL REPORT

For the fiscal year ended

January 28,  
1959

January 31,  
1958

## Operations

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Net sales                             | \$ 1,092,267,472 | \$ 1,073,799,422 |
| Net earnings                          | 28,030,510       | 29,696,757       |
| Dividends paid                        | 27,011,140       | 30,507,029       |
| Earnings reinvested                   | 1,019,370        | (810,272)        |
| Additions to properties and equipment | 27,271,255       | 20,476,338       |

## Financial Position

|  |                |                |
|--|----------------|----------------|
| Working capital                            | \$ 566,551,714 | \$ 587,609,314 |
| Net investment in properties and equipment | 75,225,195     | 53,578,754     |
| Stockholders' investment                   | 641,776,909    | 641,188,068    |

## Stockholders' Interest

|                             |            |            |
|-----------------------------|------------|------------|
| Investment per common share | \$ 48.57   | \$ 48.49   |
| Earnings per common share   | 2.08       | 2.19       |
| Dividends per common share  | 2.00       | 2.25       |
| Shares outstanding:         |            |            |
| Class "A"                   | 201,554    | 201,554    |
| Common                      | 12,796,256 | 12,808,556 |
| Number of stockholders      | 99,956     | 92,127     |





## TO OUR STOCKHOLDERS

Sales for the fiscal year ended January 28, 1959 were \$1,092,267,472, as compared with \$1,073,799,422 last year, an increase of 1.7%. This was the fourth consecutive year in which the volume of Ward's sales increased over the year before.

Earnings were \$28,030,510, equal to \$2.08 per share of common stock, compared with earnings of \$29,696,757, or \$2.19 per share, the previous year.

The higher costs of labor, services and supplies, substantial expenditures for development of new stores and distribution centers, and increased price competition, particularly during the first half of the year, were principal reasons for the lower level of earnings.

A change in the fiscal year and monthly reporting system of the Company was adopted by the Board of Directors effective January 28, 1959. The fiscal year of the Company now ends on the Wednesday that is closest to January 31. The 1958 fiscal year ended on January 28, 1959. Sales for the last three days of January, amounting to approximately \$6,250,000, will be included in 1959 fiscal year reports.

The first tangible results of the Company's long range growth and expansion program became evident as five new stores were opened during 1958. In addition, three stores were opened in February and March of this year at Detroit, Dallas and St. Petersburg, and we plan to open seven more by the end of the year.

The money that must be spent to prepare for the opening of new stores and the training of their staffs represents a substantial expense that requires up to a year for these stores to absorb before they can begin contributing to company profits.

In addition to the five new stores, one large distribution center was opened during 1958, 16 stores were rehabilitated and expanded, 97 were redecorated and 16 were air conditioned. Fifty-five catalog stores were opened during the year, bringing to 527 the number of such stores as compared with 278 on August 1, 1955, when our current catalog store expansion program was begun.

Seven unprofitable or poorly located retail stores were closed during the year. Five of these have been replaced in nearby locations by catalog stores.

During the past four years, \$232,485,777 of cash and securities have been converted into inventories, customer credit accounts, new stores, distribution centers and other assets. This means that more of our assets are being put to work in the merchandising business to improve the Company's earning capacity and to serve more customers with modern and efficient shopping facilities.

Unexpended capital appropriations for the construction of new stores and warehouses, the installation of new fixtures and equipment and the rehabilitation of existing stores amounted to \$33,405,000 at the end of the 1958 fiscal year, as compared with \$25,625,000 for 1957 and \$5,800,000 for 1956.

These appropriations provide for the completion of 20 full-line department stores, the rehabilitation of 10 established stores, and the completion of distribution centers in Kansas City and San Leandro, California.

In April we will begin producing Ward's line of Certified Paints at the new paint factory we have built at San Leandro, California. With this new west coast facility, the high cost of transporting paints across the country from our present factory in Chicago Heights, Illinois, will be substantially reduced.

Nineteen hundred fifty eight was the first full year of operation under the decentralized management plan which was adopted in 1957. This concept of management is developing satisfactorily and will increasingly contribute to the efficiency and profitability of our operations as our various managers become more thoroughly trained in the handling of their respective responsibilities.

A major project during 1958 was the development of a program of integrated planning and control to replace the outdated and inadequate budgeting processes the Company had been using for many years. Parts of this program were adopted at the beginning of the present 1959 fiscal year, and the full program will be in effect in 1960.





A new incentive compensation plan was developed and put into effect January 29, 1959 for store managers and district managers to relate their pay to the profit they are able to produce from the capital invested by the Company in the operations under their control. We expect this compensation plan, one of the best in retailing, will further stimulate the better management practices that are needed to increase profits.

A significant step was taken last June when five year contracts were signed with the Teamsters and Retail Clerks unions. We believe these agreements will result in improved relations between Wards and the union representatives of our employees, as well as guarantee at least four more years of stable labor relations.

We are pleased to report that our earnings are recovering from the low point they reached in the first half of 1958. Barring an unexpected reverse in the general economy, both sales and earnings are expected to improve in 1959, and your management is confident that this trend will continue as increased volume and improved merchandising and operating efficiencies are realized.

Additional details of the Company's operations and of our plans for growth and improvement, are presented on the following pages.

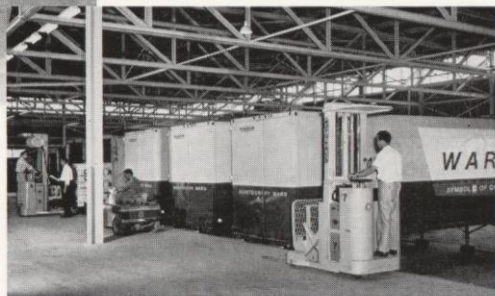
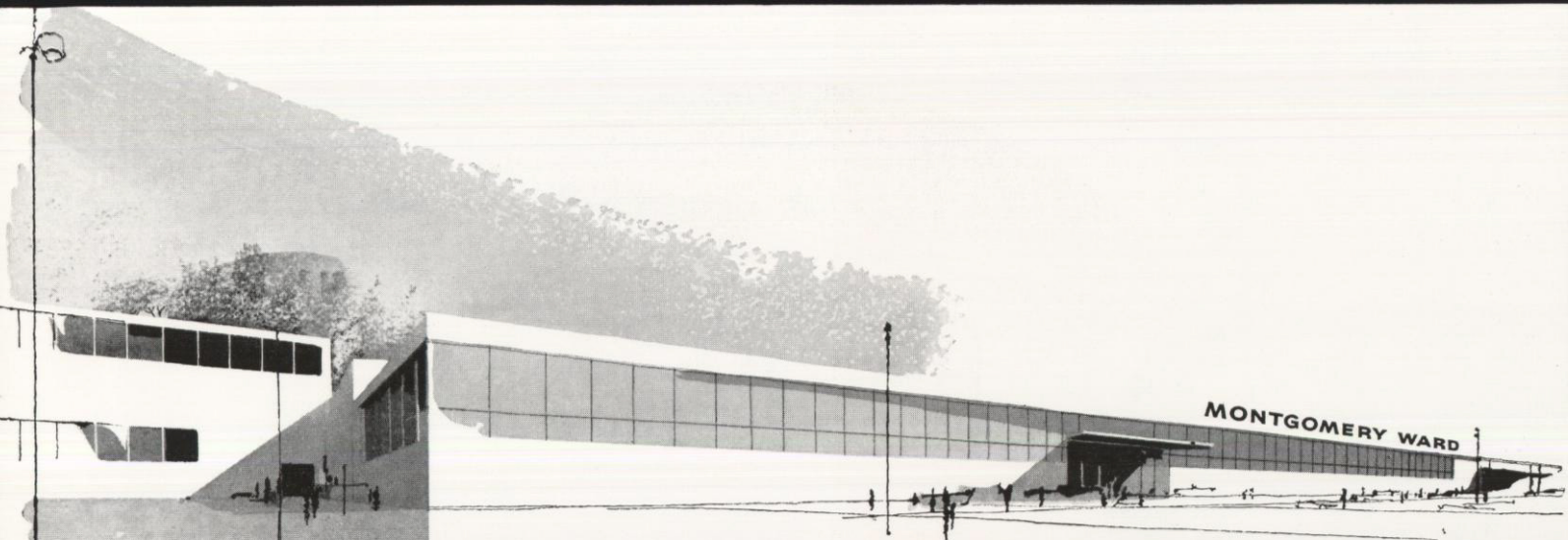
*Respectfully submitted,*

A handwritten signature in dark ink, appearing to read "John H. Bar". The signature is stylized with a large, sweeping initial "J" and "B".

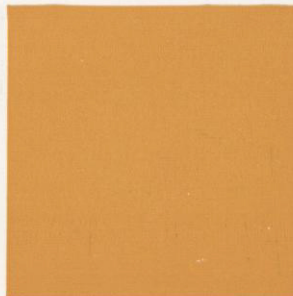
*Chairman of the Board*

March 25, 1959





Fleets of trucks provide stores with overnight delivery service from large distribution centers.



Warehouses carry style and color assortments to satisfy all customers.

## A NEW DISTRIBUTION SYSTEM

A major program has been launched by Montgomery Ward to modernize and improve its system of warehousing and distribution, and to reduce the cost of moving merchandise from factories into the hands and homes of the nation's families.

The completion of Wards first multi-million dollar distribution center at Allen Park, Michigan, inaugurated a new system of assembling, warehousing and distributing merchandise. For the past six months, 50 large trailer trucks have been traveling 12,500 miles each day from this new distribution center to provide 120 retail and catalog stores in Ohio, Indiana and Michigan with overnight delivery of merchandise.

Of the 10 new distribution centers now planned, two more will be completed within a few months at Kansas City, Mo. and San Leandro, California. Construction of similar facilities at Baltimore and Ft. Worth is expected to begin this summer. Major distribution centers also will be constructed at Albany, Chicago, St. Paul, Denver and Portland, Oregon, where Wards already operates mail order houses.

The total capital requirements for these new distribution centers will approximate 50 million dollars.

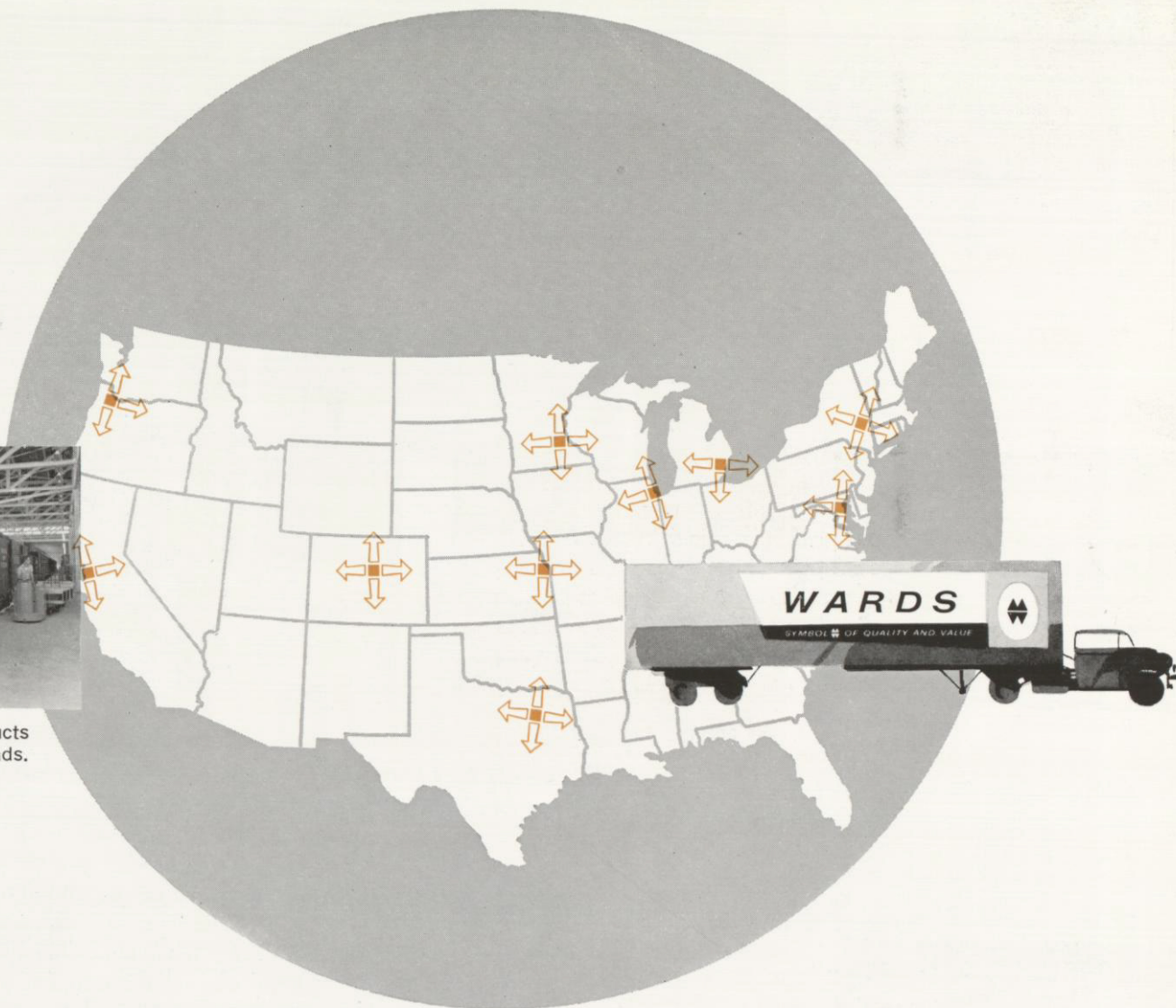
These new centers are being developed to improve service to customers and to achieve merchandising and operating economies. This they will do by permitting the company to purchase, warehouse, and distribute merchandise to retail and catalog stores more efficiently and at lower costs than ever before.

At the Allen Park center, an IBM 305 RAMAC installation processes orders and maintains inventory records. This is the core of the accurate inventory control and high-speed merchandise delivery system which permits the retail stores to operate largely from floor samples of major appliances and other bulky items, with the assurance of 24-hour delivery.





Factories send products to Wards by trainloads.



← Expert repairmen service everything company sells.

Heart of inventory control is electronic accounting system. →







Modern store replaces old  
in Scottsbluff, Neb.



A new perspective—Montgomery Ward store in Blue Ridge Shopping Center, Kansas City, Mo.

### A LOOK AHEAD . . .

The framework for the future growth and expansion of Montgomery Ward is a long range plan projecting the sales and earnings of the Company and its capital requirements for the establishment of new stores and warehouses and the relocation and rehabilitation of present stores. A substantial capital investment will be required over the next few years to build these new facilities and to enlarge inventories and extend credit for new customers.

Based upon the findings of an extensive research program, new store sites that will provide the company with additional sales opportunities in new market areas are being leased or purchased each year.

The foundation for this expansion program has been firmly built during the last three years and the Company now has the managers and the staff personnel which it needs to plan, build and open 10 to 20 full line department stores each year.

The magnitude of the personnel task alone is indicated by the requirements for the year of 1959. Ten store managers, 392 department managers and 2,963 selling and service employees will be needed to staff the 10 stores and two distribution centers being opened during the year. Opportunities for advancement in the Montgomery Ward organization are greater than they have been for many years.

Ward's mail order business continues to increase in volume and profitability. A steadily increasing volume of business is being obtained from customers in metropolitan and suburban areas through catalogs and catalog stores.

The Company's long range plans also anticipate changes in the buying habits and shopping customs of consumers. While primary attention is being devoted to growing population areas which hold potential for full line department stores in major shopping centers, the Company also is investigating the needs of customers who cannot be conveniently served by major shopping center stores.

The principal objective of the Company is to establish new and more profitable retail stores in the population growth areas of the country, and to develop a distribution system that will reduce the cost of supplying these stores and their customers.



*new stores - new customers . . .*





Whatever way customers want to buy, that's the way Montgomery Ward is going to sell. In the city, in the suburb or on the farm, Wards is offering greater shopping values, services and conveniences than ever before.

## *New Opportunities*

- 1 In July of 1958, thousands of new customers thronged the streets of Eau Claire, Wisconsin, to celebrate the opening of the first retail store to be established by Montgomery Ward since 1941.
- 2 In all new and modernized stores, customers find a freshness of color and decor. Conditioned air and cheerful lighting make shopping more pleasant.
- 3 New stores are adapted in design and architecture to each community. The façade and canopy of this Wards store is an integral part of the Blue Ridge Shopping Center near Kansas City.
- 4 The decorative appeal of store interiors is enhanced by large wall prints of merchandise featured in old mail order catalogs. Every department is carefully planned to invite the interest of customers.
- 5 New fashions—some from Paris and Italy—and new values are being offered each season as Montgomery Ward proves to millions that high fashions do not have to be high priced.
- 6 Huge parking areas, such as this 3,000 car lot adjacent to the large new store in the Village Shopping Center of Gary, Indiana, attract residents from city and suburban areas.
- 7 Central decorative display islands surrounded by cushioned benches provide a haven for the weary and a meeting place for all. Distinctive local themes, such as the Oak tree of Missouri, the Aspen tree of Colorado, a vertical steel I-beam for Gary, Indiana, and a sun-dial for St. Petersburg, Florida, are featured in new Montgomery Ward stores.
- 8 The contributions of design, display and layout experts are evident in the fresh, inviting appearance of new stores which offer customers 100,000 different items of merchandise.

1 2







3



4



5



6

7

8







TOP—Montgomery Ward's first shopping center department store was opened at Denver in the summer of 1958.  
LEFT—Full assortments of merchandise, attractively displayed and clearly labeled, make shopping easy for customers.  
RIGHT—Leadership in fashions has made Montgomery Ward one of the three largest national retailers of dresses in the United States. The young and modern families of suburbia are among Ward's most enthusiastic customers.

## PROGRAM OF PROGRESS

The investment in new and improved facilities for 1957–1959 will approximate \$87,000,000. Plans for the future anticipate a program of growth and expansion that will be substantially larger as Montgomery Ward continues to improve its merchandising facilities and services.

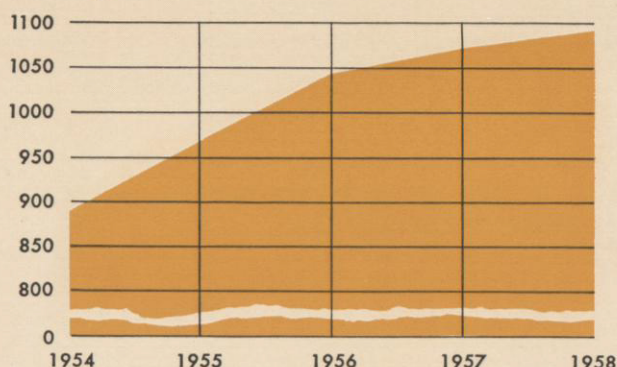
|  | Fiscal<br>1957 | Fiscal<br>1958 | Estimated<br>1959 |
|--|----------------|----------------|-------------------|
| New retail stores                        | 1              | 5              | 10                |
| New catalog stores                       | 60             | 55             | 50                |
| New distribution centers                 | —              | 1              | 2                 |
| Modernized and redecorated retail stores | 89             | 105            | 130               |
| Cost of expansion and improvements       | \$20,476,000   | \$27,271,000   | \$40,000,000      |

At the beginning of the current year, 548 retail stores and 527 catalog stores were serving the public in more than 1,000 communities of the nation.



## NET SALES

Millions of dollars



## FINANCIAL STATISTICS

Net sales of Montgomery Ward established a seven year high of \$1,092,267,472 during the fiscal year of 52 weeks, ended January 28, 1959. This was 1.7% higher than last year's total of \$1,073,799,422, and the largest sales volume since 1951.

Retail and catalog stores accounted for 87% of the Company's total sales and catalog orders received by mail directly from customers accounted for 13%.

After deducting \$28,800,000 for federal income taxes, earnings amounted to \$28,030,510 or \$2.08 per common share, based upon the average number of shares outstanding during the year, as compared with \$29,696,757 or \$2.19 per common share last year.

Common stock dividends of \$25,600,262, equal to \$2.00 per share, were paid during the year. Dividends of \$7.00 per share, amounting to \$1,410,878, were paid on Class "A" stock.

Wages and salaries paid to employees during the 52-week period amounted to 3.8% more than those paid for the 12-month period last year. The Company's average employment was 58,152.

The total investment of stockholders at the end of the fiscal year was equal to \$48.57 per share of common stock outstanding as compared with \$48.49 one year ago. During the 52-week period the total number of stockholders of record increased from 92,127 to 99,956, or 8.5%. No individual owns as much as 1% of the common stock outstanding.

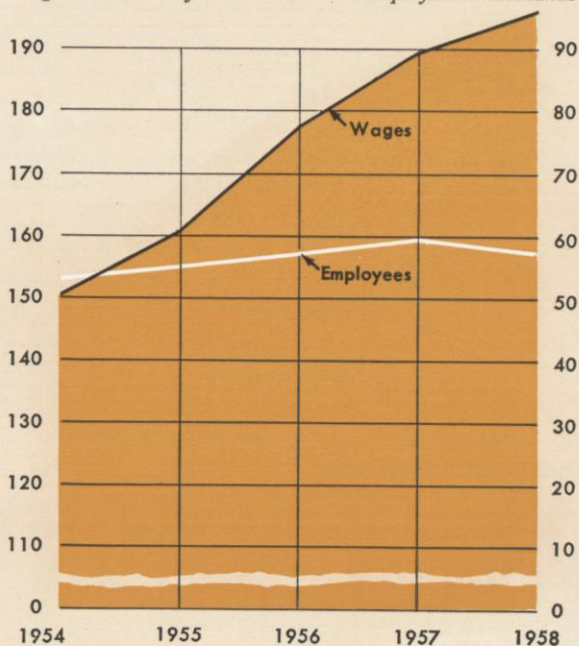
The Company purchased 12,300 shares of its own common stock at a cost of \$430,529 during the year. This increased the amount of treasury stock held by the Company to 208,500 shares. These shares may be used to meet requirements of the restricted stock option plan adopted in January, 1957.

The Company has 1,924 leases with landlords covering retail stores, catalog stores and warehouse locations. The minimum annual rentals for which the Company is obli-

## ANNUAL PAYROLL

Wages in millions of dollars

Employees in thousands





gated under these agreements for the fiscal year 1959 total approximately \$11,900,000. The total minimum rentals from January 29, 1959 until the expiration of the leases, or until their optional cancellation dates, amount to approximately \$130,700,000. The Company has no obligations under any of the leases beyond the year 1990 except for some ground leases of one store that extend through the year 2020. Options that provide for renewal privileges exist under the terms of many of the retail store leases now in force.

Investments in short-term marketable securities and cash on hand and in banks at the end of the year totaled \$94,730,001, a reduction of 36% from last year's total of \$148,895,965.

Accounts receivable, consisting principally of time payment accounts, increased 10.2% during the year from \$277,179,867 to \$305,325,253.

Total investment in merchandise inventories at the end of the 52-week fiscal period was \$242,026,480 as compared with \$227,432,485 on January 31, 1958, an increase of 6.4%.

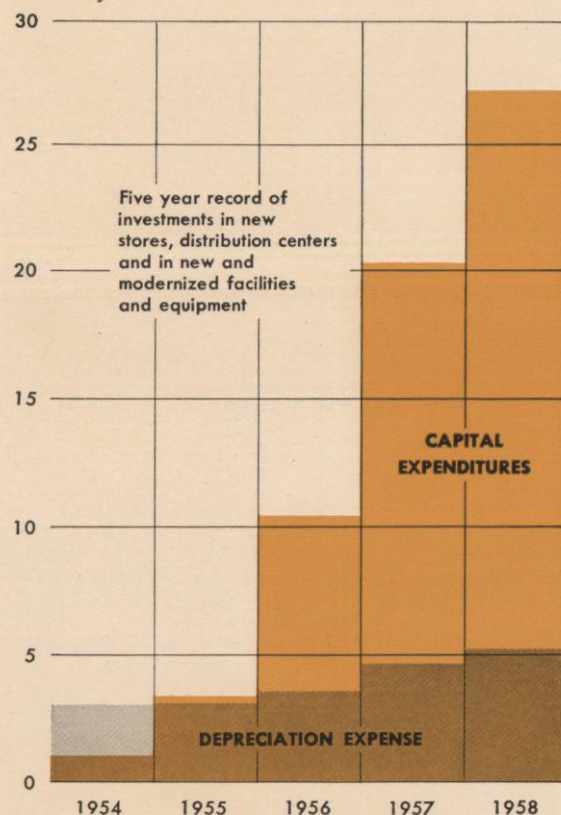
Additions to the properties and equipment account, including construction costs for the Company's new distribution centers at Allen Park, Mich., Kansas City, Mo., and San Leandro, Calif., amounted to \$27,271,255. This compares with total additions to properties and equipment of \$20,476,338 last year.

Provisions for depreciation and amortization of the fixed assets amounted to \$5,334,929, as compared with \$4,517,949 last year.

The changing composition of the asset accounts of Montgomery Ward since 1954 is portrayed in the chart at the right. Cash and securities have been reduced 71% while accounts receivable have been increased 107% and fixed assets have been increased 143%.

## CAPITAL EXPENDITURES

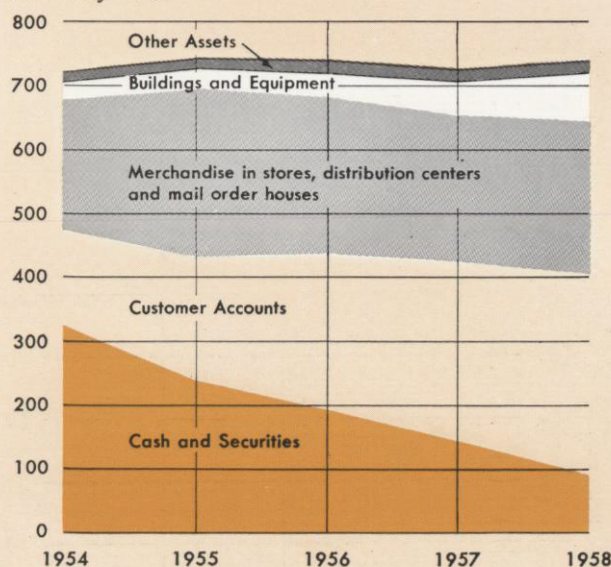
Millions of dollars



## DISTRIBUTION OF ASSETS

Fiscal year end

Millions of dollars





**MONTGOMERY WARD**

&amp; Co., Incorporated

## CONSOLIDATED STATEMENTS OF EARNINGS AND EARNINGS REINVESTED

*For the periods ended January 28, 1959 and January 31, 1958*

### EARNINGS

|  | 1959<br>(52 Weeks) | 1958<br>(12 Months) |
|--|--------------------|---------------------|
| <b>Net Sales</b> .....   | \$1,092,267,472    | \$1,073,799,422     |
| <b>Costs and Expenses:</b>   |                    |                     |
| Cost of merchandise sold, including net buying, operating, selling and administrative expenses other than itemized herein..... | \$ 993,919,270     | \$ 974,536,671      |
| Property, social security and state taxes.....   | 14,857,617         | 14,543,794          |
| Rents.....   | 13,360,535         | 12,590,432          |
| Repairs and maintenance.....   | 4,642,759          | 4,359,234           |
| Depreciation and amortization.....   | 5,334,929          | 4,517,949           |
| Contribution to employees' retirement plan.....  | 3,321,852          | 2,894,585           |
| Total costs and expenses.....  | \$1,035,436,962    | \$1,013,442,665     |
| <b>Earnings Before Taxes on Income</b> .....   | \$ 56,830,510      | \$ 60,356,757       |
| Provision for federal taxes on income.....   | 28,800,000         | 30,660,000          |
| <b>Net Earnings</b> .....  | \$ 28,030,510      | \$ 29,696,757       |

### EARNINGS REINVESTED

|   |                |                |
|---|----------------|----------------|
| <b>Balance at Beginning of Year</b> .....                                       | \$ 416,569,994 | \$ 417,380,266 |
| <b>Net Earnings</b> .....   | 28,030,510     | 29,696,757     |
| Total.....  | \$ 444,600,504 | \$ 447,077,023 |
| <b>Cash Dividends:</b>  |                |                |
| Class "A" stock—\$7.00 per share.....   | \$ 1,410,878   | \$ 1,410,878   |
| Common stock—\$2.00 per share in fiscal 1958, \$2.25 per share in fiscal 1957.. | 25,600,262     | 29,096,151     |
| Total.....  | \$ 27,011,140  | \$ 30,507,029  |
| <b>Balance at End of Year</b> .....   | \$ 417,589,364 | \$ 416,569,994 |



# CONSOLIDATED BALANCE SHEET

January 28, 1959 and January 31, 1958

## ASSETS

### Current Assets:

|  | 1959                 | 1958                 |
|--|----------------------|----------------------|
| Cash . . . . .   | \$ 25,857,818        | \$ 24,914,773        |
| Marketable securities, principally obligations of federal and local governments, at cost less reserve for market decline . . . . .   | 68,872,183           | 123,981,192          |
| Receivables, principally time payment accounts, less reserves for doubtful accounts and unearned carrying charge income of \$17,020,705 in 1959 and \$16,033,448 in 1958 . . . . . | 305,325,253          | 277,179,867          |
| Merchandise inventories, at the lower of cost or market . . . . .  | 242,026,480          | 227,432,485          |
| Prepaid catalog costs, supplies, etc. . . . .  | 20,749,313           | 19,735,741           |
| Total current assets . . . . .   | <u>\$662,831,047</u> | <u>\$673,244,058</u> |

### Properties and Equipment, at cost:

|  | 1959          | 1958         |                      |                      |
|--|---------------|--------------|----------------------|----------------------|
| Land . . . . .                                       |               |              | \$ 12,663,302        | \$ 10,606,370        |
| Buildings . . . . .                                  | \$ 70,364,747 | \$56,304,919 |                      |                      |
| Fixtures and equipment . . . . .                     | 41,122,093    | 35,563,844   |                      |                      |
| Total buildings, fixtures and equipment . . . . .    | \$111,486,840 | \$91,868,763 |                      |                      |
| Less—Reserves for depreciation . . . . .             | 56,096,213    | 55,164,181   | 55,390,627           | 36,704,582           |
| Leasehold improvements, after amortization . . . . . |               |              | 7,171,266            | 6,267,802            |
| Total properties and equipment . . . . .             |               |              | <u>\$ 75,225,195</u> | <u>\$ 53,578,754</u> |
|  |               |              | <u>\$738,056,242</u> | <u>\$726,822,812</u> |

## NOTES:

- (1) Under retirement pension plans established by Montgomery Ward & Co., Incorporated, and its consolidated subsidiary, there was an estimated unfunded past-service liability of approximately \$35,000,000 as of January 28, 1959. Provision was made during the fifty-two week period ended January 28, 1959 for interest on past-service liability and full funding of current-service liability.
- (2) Montgomery Ward & Co., Incorporated, under a restricted stock option plan approved by the stockholders on January 30, 1957, has reserved 400,000 shares of its authorized but unissued common stock for issuance to officers and key employees of the company. The option price is the closing price of the stock on the New York Stock Exchange on the day the option is granted. Options granted are exercisable in ten equal amounts over a ten-year period on a cumulative basis commencing one year from the date the option is granted. On January 28, 1959, 192 individuals held options for 318,050 shares at prices ranging from \$35¼ to \$41½ per share, of which options for 23,095 shares were exercisable.





**MONTGOMERY WARD**

*& Co., Incorporated*

## LIABILITIES

|   | 1959                 | 1958                 |
|---|----------------------|----------------------|
| <b>Current Liabilities:</b>   |                      |                      |
| Accounts payable and other liabilities . . . . .  | \$ 47,195,052        | \$ 40,737,066        |
| Accrued expenses . . . . .  | 27,649,900           | 20,430,574           |
| Federal taxes on income . . . . .   | 21,434,381           | 24,467,104           |
| Total current liabilities . . . . .   | <u>\$ 96,279,333</u> | <u>\$ 85,634,744</u> |
| <b>Capital Stock and Earnings Reinvested:</b>   |                      |                      |
| Class "A" stock, no par value—  |                      |                      |
| Authorized 205,000 shares noncallable, \$7.00 per share cumulative dividends;<br>issued 201,554 shares, stated at liquidating value . . . . . | \$ 20,155,400        | \$ 20,155,400        |
| Common stock, no par value—   | 1959                 | 1958                 |
| Authorized 20,000,000 shares; issued  |                      |                      |
| 13,004,756 shares, at stated value . . . . .  | \$211,231,385        | \$211,231,385        |
| Earnings reinvested in the business . . . . .   | <u>417,589,364</u>   | <u>416,569,994</u>   |
| Total common stock and earnings reinvested<br>in the business . . . . .   | \$628,820,749        | \$627,801,379        |
| Less—Treasury common stock  |                      |                      |
| 208,500 shares in 1959 and 196,200 shares<br>in 1958, at cost . . . . .   | <u>7,199,240</u>     | <u>6,768,711</u>     |
| Total capital stock and earnings reinvested . . . . .   | <u>\$641,776,909</u> | <u>\$641,188,068</u> |
|   | <u>\$738,056,242</u> | <u>\$726,822,812</u> |

## AUDITORS' CERTIFICATE

To the Stockholders and Board of Directors, Montgomery Ward & Co., Incorporated:

We have examined the consolidated balance sheet of Montgomery Ward & Co., Incorporated (an Illinois corporation) and subsidiary as of January 28, 1959, and the related consolidated statements of earnings and earnings reinvested for the fifty-two week period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and related consolidated statements of earnings and earnings reinvested present fairly the financial position of the company and subsidiary as of January 28, 1959 and the results of their operations for the fifty-two week period then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chicago, Illinois  
March 10, 1959

ARTHUR ANDERSEN & Co.



## FIVE YEAR STATISTICAL SUMMARY

*For fiscal years ended January*

**1959**

### Operations

|   |                 |
|---|-----------------|
| Net Sales .....                           | \$1,092,267,472 |
| Income Tax .....                          | 28,800,000      |
| Net Earnings .....                        | 28,030,510      |
| Dividends .....                           | 27,011,140      |
| Earnings Reinvested .....                 | 1,019,370       |
| Additions to Property and Equipment ..... | 27,271,255      |
| Depreciation and Amortization .....       | 5,334,929       |
| Average Number of Employees .....         | 58,152          |

### Financial Position

|  |               |
|--|---------------|
| Cash and Securities .....                        | \$ 94,730,001 |
| Accounts Receivable .....                        | 305,325,253   |
| Inventories .....                                | 242,026,480   |
| Net Investment in Properties and Equipment ..... | 75,225,195    |

### Stockholders' Interest

|                                     |            |
|-------------------------------------|------------|
| Investment per Common Share .....   | \$ 48.57   |
| Net Earnings per Common Share ..... | 2.08       |
| Dividends per Common Share .....    | 2.00       |
| Shares Outstanding                  |            |
| Class "A" .....                     | 201,554    |
| Common .....                        | 12,796,256 |
| Number of Stockholders .....        | 99,956     |

*\*Adjusted for 2-for-1 stock split in May 1956.*

## MONTGOMERY WARD 87TH ANNUAL REPORT

### DIRECTORS

John A. Barr  
*Chairman of the Board*  
 Philip R. Clarke  
*Chairman, Executive Committee*  
 Sewell L. Avery  
 Russell P. Bygel  
 H. P. Davison  
 Percy B. Eckhart  
 Paul M. Hammaker  
 Meyer Kestnbaum  
 Charles J. Kushell, Jr.  
 Lenox R. Lohr  
 Solomon A. Smith

### OFFICERS

John A. Barr, *Chairman and President*  
 Paul M. Hammaker, *Executive Vice President*  
 Charles J. Kushell, Jr., *Financial Vice President*  
 E. P. Platt, *Vice President, Merchandising*  
 Harold F. Dysart, *Vice President, Operating*  
 Anthony D. Eastman, *Vice President, Personnel*  
 Russell P. Bygel, *Vice President*  
 J. P. Hansen, *Vice President*  
 Lester O. Naylor, *Vice President*  
 James E. Caldwell, *Controller*  
 Andrew Lamb, *Treasurer*  
 Charles J. Barnhill, *Secretary*  
 John M. Clark, *Assistant Treasurer*  
 David L. Dickson, *Assistant Secretary*  
 Harold W. Bancroft, *Assistant Secretary*

### TRANSFER AGENTS

The Northern Trust Company, Chicago, Ill.  
 J. P. Morgan & Co. Incorporated, New York, N. Y.

### REGISTRARS

The First National Bank of Chicago, Chicago, Ill.  
 Bankers Trust Company, New York, N. Y.



| 1958            | 1957            | 1956          | 1955          |
|-----------------|-----------------|---------------|---------------|
| \$1,073,799,422 | \$1,045,767,458 | \$969,946,996 | \$887,336,812 |
| 30,660,000      | 38,190,000      | 38,260,000    | 35,110,000    |
| 29,696,757      | 35,844,479      | 35,441,046    | 35,232,600    |
| 30,507,029      | 30,671,579      | 30,671,579    | 27,420,390    |
| (810,272)       | 5,172,900       | 4,769,467     | 7,812,210     |
| 20,476,338      | 10,516,918      | 3,339,409     | 1,079,334     |
| 4,517,949       | 3,588,874       | 3,081,225     | 3,073,849     |
| 59,714          | 57,691          | 55,010        | 53,251        |
| \$ 148,895,965  | \$ 198,191,231  | \$241,482,776 | \$327,215,778 |
| 277,179,867     | 237,915,314     | 189,725,601   | 147,007,516   |
| 227,432,485     | 247,094,113     | 262,625,068   | 201,290,291   |
| 53,578,754      | 37,792,614      | 31,065,582    | 30,895,089    |
| \$ 48.49        | \$ 48.34        | \$ 47.94*     | \$ 47.57*     |
| 2.19            | 2.65            | 2.62*         | 2.60*         |
| 2.25            | 2.25            | 2.25*         | 2.00*         |
| 201,554         | 201,554         | 201,554       | 201,554       |
| 12,808,556      | 13,004,756      | 13,004,756*   | 13,004,756*   |
| 92,127          | 84,605          | 74,674        | 67,875        |

New stores are attracting thousands of new customers as Montgomery Ward expands into growing business areas and shopping centers.

To celebrate the opening of one of the first of these large modern stores, Wisconsin's Governor Vernon W. Thomson (at microphone) joined Ward's chairman John A. Barr and other officials in a symbolic ribbon-cutting ceremony at Eau Claire, Wisconsin.





